

1 EXCERPT 9/28/04 - JURY CHARGE

2 THE COURT: PLEASE BE SEATED, LADIES AND
3 GENTLEMEN.

4 LADIES AND GENTLEMEN, AT THIS TIME IT'S MY DUTY
5 TO EXPLAIN TO YOU THE LEGAL PRINCIPLES THAT APPLY IN
6 THIS CASE. AND IT'S YOUR DUTY TO APPLY THESE
7 PRINCIPLES AS I EXPLAIN THEM TO YOU. YOU'RE THE JUDGES
8 OF THE FACTS IN THE CASE, IT'S UP TO YOU TO DETERMINE
9 WHAT THE FACTS ARE. I'M THE JUDGE OF THE LAW, IT'S UP
10 TO ME TO EXPLAIN TO YOU WHAT THE LAW IS AND THEN IT'S
11 YOUR JOB TO APPLY THE FACTS AS YOU DETERMINE THEM TO
12 BE, TO THE LAW AS I EXPLAIN IT TO YOU.

13 AND IN CONSIDERING MY EXPLANATION OF THE LAW,
14 YOU OUGHT TO CONSIDER WHAT I'M ABOUT TO TELL YOU IN ITS
15 ENTIRETY, IN OTHER WORDS, DON'T PICK OUT ONE OR TWO
16 PRINCIPLES AND FOCUS ON THEM TO THE EXCLUSION OF
17 EVERYTHING ELSE. YOU HAVE TO CONSIDER THESE LEGAL
18 PRINCIPLES IN THE CONTEXT OF MY OVERALL EXPLANATION OF
19 THE LAW THAT APPLIES IN THIS CASE.

20 AS I'M SURE YOU KNOW BY THIS TIME, THIS IS A
21 LAWSUIT BROUGHT BY ARENDI USA, INCORPORATED AND ARENDI
22 HOLDINGS LIMITED AGAINST MICROSOFT CORPORATION. AND IT
23 ALSO INVOLVES A COUNTERSUIT BY MICROSOFT AGAINST
24 ARENDI. SINCE ARENDI OR THE ARENDI COMPANIES ARE THE
25 ONES THAT BROUGHT THIS SUIT, I MAY REFER TO THEM FROM

1 TIME TO TIME AS THE PLAINTIFFS OR USUALLY AS ARENDI.
2 AND SINCE MICROSOFT IS THE PARTY AGAINST WHOM THE SUIT
3 HAS BEEN BROUGHT, I MAY REFER TO MICROSOFT AS THE
4 DEFENDANT OR USUALLY JUST MICROSOFT.

5 AS YOU KNOW, ARENDI BROUGHT THIS SUIT FOR PATENT
6 INFRINGEMENT. AND ARENDI ALLEGES THAT MICROSOFT HAS
7 INFRINGEMENTED SEVERAL CLAIMS OF ARENDI'S PATENT, WHICH IS
8 KNOW AS THE '853 PATENT, THAT IS THE NUMBER DESIGNATION
9 ON THE PATENT AND THE PATENT IS IN EVIDENCE FOR YOU TO
10 CONSIDER.

11 ARENDI ALLEGES THAT MICROSOFT HAS INFRINGED
12 SEVERAL CLAIMS IN THAT PATENT BY INCLUDING A SMART TAGS
13 FEATURE IN MICROSOFT'S OFFICE XP AND MICROSOFT OFFICE
14 2003 SOFTWARE, WHICH IS USED BY MICROSOFT AND ITS
15 CUSTOMERS WHO BUY THE SOFTWARE. THE PATENT CLAIMS THAT
16 ARENDI ALLEGES HAVE BEEN INFRINGED ARE REFERRED TO AS
17 THE ASSERTED CLAIMS. IN OTHER WORDS, THERE ARE CERTAIN
18 CLAIMS IN THAT PATENT THAT ARE AT ISSUE IN THIS CASE
19 AND OTHERS REALLY ARE NOT AT ISSUE IN THE CASE. WE ARE
20 FOCUSING ON THE CLAIMS THAT ARE AT ISSUE, THOSE ARE THE
21 ASSERTED CLAIMS.

22 MICROSOFT DENIES THAT THE USE OF SMART TAGS
23 INFRINGEMENTS THE ASSERTED CLAIMS OF THE '853 PATENT AND IN
24 ADDITION, IN ITS COUNTERSUIT OR WHAT ARE SOMETIMES
25 CALLED COUNTERCLAIMS, MICROSOFT ALLEGES THAT THE

1 ASSERTED CLAIMS ARE INVALID BECAUSE THEY DO NOT
2 DESCRIBE A NEW OR NOVEL INVENTION. TO PUT IT ANOTHER
3 WAY, MICROSOFT CONTENDS THAT THE PROCESS OR METHOD
4 DESCRIBED IN THE ASSERTED CLAIMS OF THE ARENDI PATENT
5 ARE NOT ENTITLED TO PATENT PROTECTION BECAUSE THEY'RE
6 ALREADY KNOWN TO OR USED BY OTHERS WHEN THE PATENT WAS
7 DEVELOPED BY ARENDI.

8 NOW, THE LAW IMPOSES ON A PARTY THAT BRINGS A
9 LAWSUIT OR A COUNTER SUIT, THE RESPONSIBILITY OR BURDEN
10 OF PROVING THE THINGS THAT IT ALLEGES. IT IS NOT UP TO
11 THE OTHER PARTY TO DISPROVE WHAT THE PARTY BRINGING THE
12 SUIT OR COUNTER SUIT ALLEGES; IT IS UP TO THE PARTY WHO
13 BROUGHT THE SUIT OR THE COUNTERSUIT, TO PROVE THE
14 THINGS THAT IT'S CONTENDING.

15 AND IN PATENT CASES THE BURDEN OF PROOF THAT
16 APPLIES TO ALLEGATIONS OF INFRINGEMENT MADE BY A
17 PLAINTIFF IS DIFFERENT FROM THE BURDEN OF PROOF THAT
18 APPLIES TO ALLEGATIONS OF INVALIDITY THAT ARE MADE BY A
19 DEFENDANT. A PLAINTIFF ALLEGING THAT A DEFENDANT
20 INFRINGEMENT ITS PATENT MUST PARAGRAPH INFRINGEMENT BY
21 WHAT'S CALLED A FAIR PREPONDERANCE OF THE EVIDENCE.
22 THAT MEANS THAT THE PLAINTIFF MUST SHOW THAT WHAT IT
23 SEEKS TO PROVE IS MORE PROBABLY TRUE THAN NOT TRUE. IN
24 OTHER WORDS, THAT IT'S MORE PROBABLY SO THAT THE
25 EVIDENCE SHOWS THAT IT'S MORE PROBABLY SO THAT

1 MICROSOFT INFRINGED ARENDI'S PATENT THAN NOT.

2 ON THE OTHER HAND, A DEFENDANT ALLEGING THAT A
3 PLAINTIFF'S PATENT IS INVALID, MUST PROVE INVALIDITY BY
4 CLEAR AND CONVINCING EVIDENCE. THAT MEANS THAT THE
5 DEFENDANT MUST SHOW THAT IT IS HIGHLY PROBABLE THAT
6 WHAT IT IS ALLEGING IS TRUE. SO IN THIS CASE
7 MICROSOFT, TO ESTABLISH INVALIDITY, WOULD HAVE TO
8 CONVINCE YOU BY CLEAR AND CONVINCING EVIDENCE THAT THE
9 ARENDI PATENT OR CLAIMS ARE INVALID.

10 THE CLEAR AND CONVINCING EVIDENCE STANDARD,
11 OBVIOUSLY INVOLVES A GREATER DEGREE OF PERSUASION THAN
12 IS NECESSARY TO MEET THE FAIR PREPONDERANCE OF THE
13 EVIDENCE STANDARD, BUT IT DOES NOT REQUIRE PROOF TO AN
14 ABSOLUTE CERTAINTY. AND THE REASON WHY A HIGHER
15 STANDARD OF PROOF APPLIES TO ALLEGATIONS OF INVALIDITY
16 IS THAT BECAUSE PATENTS ARE ISSUED BY THE UNITED STATES
17 PATENT AND TRADEMARK OFFICE, AFTER BEING REVIEWED BY A
18 TRAINED PATENT EXAMINER, THEY ARE PRESUMED TO BE VALID.

19 BUT, BECAUSE A PATENT EXAMINER IS HUMAN AND CAN
20 MAKE MISTAKES AND BECAUSE A PATENT EXAMINER MAY NOT
21 HAVE HAD ALL OF THE INFORMATION RELEVANT TO THE
22 APPLICATION, MAY NOT HAVE BEEN AWARE, FOR EXAMPLE, OF
23 ALL OF THE PRIOR ART, THE PRESUMPTION OF VALIDITY CAN
24 BE REBUTTED OR OVERCOME BY CLEAR AND CONVINCING
25 EVIDENCE THAT THE PATENT IS INVALID.

1 NOW, DON'T CONFUSE THE BURDEN OF PROVING
2 SOMETHING EITHER BY A FAIR PREPONDERANCE OF THE
3 EVIDENCE OR BY CLEAR AND CONVINCING EVIDENCE WITH THE
4 BURDEN OF PROVING SOMETHING BEYOND A REASONABLE DOUBT.
5 I'M SURE IF ANY OF YOU HAVE EVER SAT AS JURORS ON A
6 CRIMINAL CASE OR IF YOU WATCH, IT USED TO BE PERRY
7 MASON, I DON'T KNOW WHAT IT IS NOW, BUT IF YOU WATCH
8 THESE SHOWS ON TELEVISION, YOU KNOW THAT IN A CRIMINAL
9 CASE, THE PROSECUTION MUST PROVE THE DEFENDANT GUILTY
10 BEYOND A REASONABLE DOUBT. THAT'S A VERY STRICT
11 STANDARD. IT'S STRICTER THAN EITHER OF THE STANDARDS
12 THAT I HAVE DESCRIBED.

13 THIS IS NOT A CRIMINAL CASE, SO NEITHER PARTY
14 HAS TO PROVE ANYTHING BEYOND A REASONABLE DOUBT. WHAT
15 ARENDI HAS TO PROVE, ARENDI HAS TO PROVE INFRINGEMENT
16 BY A PREPONDERANCE OF THE EVIDENCE. AND MICROSOFT HAS
17 TO PROVE INVALIDITY BY CLEAR AND CONVINCING EVIDENCE OR
18 THAT IT IS HIGHLY PROBABLE THAT WHAT IT'S CLAIMING IS
19 TRUE, THAT THE PATENT IS INVALID.

20 NOW, I'LL HAVE A LITTLE BIT MORE TO SAY ON
21 BURDEN OF PROOFS LATER, BUT RIGHT NOW I WANT TO FIRST
22 PROVIDE YOU WITH SOME GENERAL BACKGROUND ON PATENTS AND
23 THE PATENT SYSTEM, BECAUSE I THINK IT'S IMPORTANT THAT
24 YOU HAVE THAT BACKGROUND TO UNDERSTAND THE ISSUES IN
25 THE CASE.

1 AND SOME OF THAT, AS YOU'LL RECALL, WAS
2 EXPLAINED ON THE VIDEOTAPE THAT YOU SAW AT THE
3 BEGINNING OF THE TRIAL, BUT SOME OF IT MAYBE WASN'T.
4 AND AFTER I DO THAT, I'M THEN GOING TO FOCUS ON EXACTLY
5 WHAT IT IS THAT ARENDI MUST PROVE IN ORDER TO ESTABLISH
6 INFRINGEMENT, AND EXACTLY WHAT IT IS THAT MICROSOFT
7 MUST PROVE IN ORDER TO ESTABLISH INVALIDITY.

8 LET ME BEGIN WITH THE PATENT SYSTEM. THE PATENT
9 SYSTEM IS INTENDED TO HELP PROMOTE THE ADVANCE OF
10 SCIENCE AND TECHNOLOGY. AND ONE WAY IN WHICH THE
11 PATENT SYSTEM TRIES TO DO THIS IS BY ISSUING A PATENT
12 TO SOMEONE WHO INVENTS A NEW AND USEFUL PRODUCT OR A
13 NEW AND USEFUL METHOD FOR DOING SOMETHING. A PATENT
14 GIVES THE PATENT OWNER THE RIGHT TO EXCLUDE ANY OTHER
15 PERSON FROM MAKING, USING, OFFERING FOR SALE, SELLING,
16 OR USING THE INVENTION COVERED BY THE PATENT ANYWHERE
17 IN THE UNITED STATES.

18 THE PATENT, AS I THINK YOU HEARD ON THE
19 VIDEOTAPE, IS GRANTED FOR A SET PERIOD OF TIME. AND
20 ONCE IT EXPIRES, THEN ANYONE IS FREE TO USE THE
21 INVENTION COVERED BY THE PATENT. BUT DURING THE LIFE
22 OF THE PATENT, IF ANOTHER PERSON MAKES, USES, OFFERS TO
23 SELL, SELLS SOMETHING THAT'S COVERED BY THE PATENT
24 WITHOUT THE PATENT'S OWNER CONSENT, THAT PERSON IS SAID
25 TO HAVE INFRINGE THE PATENT.

1 THE U.S. PATENT AND TRADEMARK OFFICE AS YOU
2 KNOW, IS THE AGENCY OF OUR GOVERNMENT THAT ISSUES
3 PATENTS. AND WHEN A PATENT APPLICATION IS FILED WITH
4 THE PATENT AND TRADEMARK OFFICE, THE APPLICATION IS
5 ASSIGNED TO A PATENT EXAMINER WHO EXAMINES THE
6 APPLICATION TO DETERMINE WHETHER OR NOT THE INVENTION
7 DESCRIBED IN THE PATENT MEETS THE REQUIREMENTS OF THE
8 PATENT LAWS FOR PATENTABLE INVENTIONS. THE LAW HAS
9 CERTAIN REQUIREMENTS THAT MUST MET IN ORDER FOR AN
10 INVENTION TO QUALIFY FOR PATENT PROTECTION.

11 THE PATENT EXAMINER EXAMINES THE APPLICATION AND
12 ADVISES THE APPLICANT OF THE EXAMINER'S FINDINGS IN A
13 PAPER CALLED AN OFFICE ACTION. THE EXAMINER MAY REJECT
14 THE CLAIMS OF THE PATENT IF THE EXAMINER BELIEVES THAT
15 THEY DON'T MEET THE LEGAL REQUIREMENTS FOR A PATENT
16 PROTECTION. AND IF THAT HAPPENS, THE APPLICANT MAY
17 RESPOND BY ATTEMPTING TO CONVINCE THE EXAMINER THAT THE
18 REQUIREMENTS HAVE BEEN MET OR BY MAKING AMENDMENTS OR
19 CHANGES TO THE APPLICATION OR BY SUBMITTING NEW CLAIMS.
20 IF THE EXAMINER ULTIMATELY CONCLUDES THAT ALL OF THE
21 REQUIREMENTS HAVE BEEN SATISFIED, THEN THE EXAMINER
22 ALLOWS THE CLAIMS AND A PATENT IS ISSUED.

23 THE PROCESS FROM THE FILING OF THE PATENT
24 APPLICATION TO THE ISSUANCE OF THE PATENT IS CALLED
25 PATENT PROSECUTION. AND THE RECORD OF PAPERS RELATING

1 TO THE PATENT PROSECUTION IS REFERRED TO AS THE
2 PROSECUTION HISTORY OR THE FILE HISTORY, AND THAT
3 BECOMES AVAILABLE WHEN THE PATENT IS ISSUED. AND
4 YOU'VE HEARD SOME REFERENCES IN THIS CASE BY WITNESSES
5 TO THE PATENT HISTORY OR THE PROSECUTION HISTORY.

6 SO THAT'S GENERALLY HOW PATENTS COME TO BE
7 ISSUED.

8 NOW, LET'S TAKE A LOOK AT THE PATENT ITSELF. A
9 PATENT CONSISTS OF TWO BASIC PARTS; THE FIRST PART IS A
10 WRITTEN DESCRIPTION OF THE INVENTION, AND THE SECOND
11 PART IS THE WHAT'S CALLED THE PATENT CLAIMS. AND THE
12 WRITTEN DESCRIPTION, WHICH MAY INCLUDE DRAWINGS, IS
13 ALSO REFERRED TO AS THE SPECIFICATION OF THE PATENT.
14 NOW, YOU'VE HEARD THAT TERM, TOO, AND THAT'S WHAT'S
15 MEANT BY THE TERM SPECIFICATION.

16 YOU HAVE BEEN PROVIDED WITH A COPY OF THE '853
17 PATENT, WHICH IS IN YOUR NOTEBOOKS AND YOU MAY WISH TO
18 REFER TO THE PATENT NOW AS I IDENTIFY THE DIFFERENT
19 SECTIONS FOR YOU.

20 FIRST OF ALL, IF YOU LOOK AT THE COVER PAGE, THE
21 FIRST PAGE OF THE PATENT, IT PROVIDES IDENTIFYING
22 INFORMATION, IT SHOWS YOU THE DATE THE PATENT ISSUED,
23 THE PATENT NUMBER ALONG THE TOP THERE, AS WELL THE
24 INVENTOR'S NAME, THE FILING DATE, THE ASSIGNEE, IF ANY,
25 AND THE LIST OF THE PRIOR ART PUBLICATIONS CONSIDERED

1 OR A LIST OF SOME OF THE PRIOR PATENTS.

2 THE SPECIFICATION BEGINS WITH AN ABSTRACT THAT'S
3 ALSO FOUND ON THE COVER PAGE. AND THE ABSTRACT, AS YOU
4 CAN SEE, IS A BRIEF STATEMENT ABOUT THE SUBJECT MATTER
5 OF THE INVENTION. IT JUST SORT OF GIVES YOU AN
6 OVERVIEW OF WHAT THE INVENTION IS SUPPOSED TO BE ABOUT.

7 NEXT IN THE PATENT DOCUMENT ARE THE DRAWINGS
8 WHICH APPEAR AS FIGURES 1 THROUGH 16 IN THE NEXT 17
9 PAGES OF THAT PATENT. AND THOSE DRAWINGS DEPICT
10 VARIOUS ASPECTS OR FEATURES OF THE INVENTION, AND THOSE
11 ASPECTS OR FEATURES ARE DESCRIBED IN WORDS IN THE
12 WRITTEN DESCRIPTION THAT APPEAR IN THE PATENT
13 SPECIFICATION. AND IN THE WRITTEN DESCRIPTION PORTION
14 OF THE PATENT, AS YOU WILL SEE, EACH PAGE IS DIVIDED
15 INTO TWO COLUMNS, WHICH ARE NUMBERED AT THE TOP. IT
16 STARTS OBVIOUSLY WITH COLUMN 1, COLUMN 2, THEN YOU FLIP
17 TO THE NEXT PAGE, COLUMN 3, COLUMN 4. AND YOU'LL ALSO
18 NOTICE THAT THE LINES ON THE PAGE ARE NUMBERED, THEY
19 WERE NUMBERED DOWN THE MIDDLE OF THE PAGE, SO THAT IF
20 YOU'RE LOOKING IN COLUMN 1 OR COLUMN 2, IF YOU ARE
21 LOOKING FOR LINE 5 IN COLUMN 1, YOU LOOK IN COLUMN 1
22 AND THEN YOU GO DOWN AS FAR AS THAT NUMBER 5 AND THAT
23 SHOWS YOU YOU'RE ON LINE 5. IF YOU ARE IN COLUMN 2 AND
24 LOOKING FOR LINE 5, IT IS THE SAME LINE ACROSS THE PAGE
25 BUT A DIFFERENT COLUMN.

1 THE WRITTEN DESCRIPTION OF THE '853 PATENT
2 BEGINS AT COLUMN 1, LINE 1 AND CONTINUES TO COLUMN 10,
3 LINE 26. AND THAT WRITTEN DESCRIPTION INCLUDES A
4 BACKGROUND SECTION. IT INCLUDES A SUMMARY OF THE
5 INVENTION. AND IT INCLUDES A DETAILED DESCRIPTION OF
6 THE INVENTION, INCLUDING SOME SPECIFIC EXAMPLES. AND
7 THE SPECIFICATION ENDS WITH SOME NUMBERED PARAGRAPHS
8 THAT ARE CALLED CLAIMS.

9 AND CLAIMS MAY CONTAIN A NUMBER OF WHAT ARE
10 CALLED LIMITATIONS OR ELEMENTS. IN THE '853 PATENT THE
11 ONE THAT YOU HAVE, THE CLAIMS BEGIN AT COLUMN 10, LINE
12 30 AND CONTINUE TO THE END OF THE PATENT AT COLUMN 20,
13 LINE 9.

14 AND YOU'LL SEE THAT THERE ARE, I BELIEVE, 73
15 CLAIMS, EACH ONE IS SEPARATELY NUMBERED. THERE ARE 73
16 IN ALL, BUT AS I TOLD YOU, ONLY SOME OF THEM ARE AT
17 ISSUE IN THIS CASE. THE ASSERTED CLAIMS IN THIS CASE
18 ARE CLAIMS 1, 2, 7, 13, 14, 16, AND 68. AND THOSE ARE
19 THE CLAIMS THAT ARENDI ALLEGES HAVE BEEN INFRINGED BY
20 SMART TAGS.

21 IN THIS CASE, AS I THINK I MENTIONED, THE
22 MICROSOFT PRODUCTS AT ISSUE ARE OFFICE XP AND OFFICE
23 2003. AND BECAUSE THEY'RE THE ONES THAT ARE AT ISSUE
24 THEY ARE REFERRED TO AS ACCUSED PRODUCTS. SO WHENEVER
25 YOU HEAR A REFERENCE TO ACCUSED PRODUCTS, IT'S

1 REFERRING TO OFFICE 2003 AND OFFICE XP.

2 IT'S UNDISPUTED THAT OFFICE XP AND OFFICE 2003
3 INCLUDE SOME SOFTWARE PROGRAMS THAT CONTAIN FEATURES
4 CALLED SMART TAGS. AND THAT THE SMART TAGS FEATURES
5 ARE USED BY BOTH MICROSOFT AND SOME OF ITS CUSTOMERS.
6 THE PROGRAMS THAT CONTAIN THE SMART TAGS FEATURES ARE
7 WORD, EXCEL, POWERPOINT, ACCESS AND OUTLOOK. AND AS I
8 SAY, SOME ONE OR MORE OF THOSE PROGRAMS ARE IN OFFICE
9 XP OR OFFICE 2003 OR BOTH AND YOU DON'T NEED TO WORRY
10 AT THIS POINT HOW MANY OF EACH ARE WHERE.

11 ARENDI ALLEGE THAT THE USE OF THESE SMART TAGS
12 INFRINGES ITS '853 PATENT. THE PARTIES AGREE THAT
13 MICROSOFT CANNOT BE LIABLE FOR INFRINGEMENT UNLESS USE
14 OF THE SMART TAGS BY MICROSOFT AND/OR ITS CUSTOMERS
15 INFRINGES ONE OR MORE OF THE CLAIMS IN THE '853 PATENT.
16 AND PARTICULARLY, THE QUESTION FOR YOU TO DECIDE IN
17 THIS CASE ARE, HAS ARENDI PROVEN BY A FAIR
18 PREPONDERANCE OF THE EVIDENCE THAT THE USE OF
19 MICROSOFT'S SMART TAGS BY MICROSOFT AND/OR ITS
20 CUSTOMERS INFRINGED ON ANY ONE OR MORE OF THE CLAIMS IN
21 THE '853 PATENT.

22 AND THE SECOND BASIC QUESTION FOR YOU TO ANSWER
23 IS, HAS MICROSOFT PROVEN BY CLEAR AND CONVINCING
24 EVIDENCE THAT ANY ONE OR MORE OF THE CLAIMS IN ARENDI'S
25 '853 PATENT IS INVALID. AND YOU'LL BE ASKED TO PROVIDE

1 THESE ANSWERS BY FILLING OUT A FORM THAT'S CALLED A
2 JURY INTERROGATORY FORM; THAT WILL GO WITH YOU IN THE
3 JURY ROOM AND BASICALLY IT CONSISTS OF FOUR QUESTIONS
4 AND SIMPLY ASKS YOU TO CHECK THE APPLICABLE BOX THAT
5 GOES ALONG WITH EACH QUESTION.

6 NOW, BEFORE YOU CAN ANSWER THOSE QUESTIONS I
7 NEED TO EXPLAIN TO YOU THE LEGAL PRINCIPLES THAT APPLY
8 IN DETERMINING WHETHER THE CLAIMS IN A PATENT HAVE BEEN
9 INFRINGEMENT AND IN DETERMINING WHETHER THE CLAIMS IN A
10 PATENT ARE INVALID. AND I'LL START WITH INFRINGEMENT.

11 IN DECIDING INFRINGEMENT, THE FOCUS IS ON THE
12 CLAIMS OF THE PATENT, THOSE NUMBERED PARAGRAPHS THAT I
13 JUST POINTED OUT TO YOU. IT FOCUSES ON THE CLAIMS OF
14 THE PATENT BECAUSE IT'S THE CLAIMS THAT ESTABLISH WHAT
15 THE INVENTION COVERS AND WHAT THE PATENT OWNER MAY
16 EXCLUDE OTHERS FROM DOING DURING THE TERM OF THE
17 PATENT. REMEMBER, IN THAT VIDEOTAPE THE CLAIMS WERE
18 LIKENED TO THE BOUNDARIES ON A PIECE OF PROPERTY. THEY
19 TELL YOU WHAT THE BOUNDARIES OF THE CLAIMED INVENTION
20 ARE. THE CLAIMS SERVE TWO PURPOSES; ONE, AS I JUST
21 SAID IS, THEY DEFINE THE BOUNDARIES OF THE INVENTION
22 COVERED BY THE PATENT. AND THE SECOND PURPOSE THEY
23 SERVE IS THEY PROVIDE NOTICE TO THE PUBLIC OF WHAT
24 THOSE BOUNDARIES ARE SO THAT OTHERS MAY AVOID
25 INFRINGEMENT ON THOSE CLAIMS OR THAT PATENT.

1 IT'S ONLY THE CLAIMS OF THE PATENT THAT CAN BE
2 INFRINGED. SO WHEN A PRODUCT OR A PROCESS IS ACCUSED
3 OF INFRINGING A PATENT, WHAT YOU NEED TO DO IS COMPARE
4 THE CLAIMS TO THE ACCUSED PRODUCT OR PROCESS IN ORDER
5 TO DETERMINE WHETHER OR NOT THERE IS INFRINGEMENT.

6 IT'S NOT PROPER TO COMPARE THE ACCUSED PRODUCT
7 OR PROCESS TO THE PATENT SPECIFICATION BECAUSE THE
8 SPECIFICATION PORTION OF THE PATENT MERELY DESCRIBES
9 THE INVENTION AND PROVIDES EXAMPLES OF HOW IT MAY BE
10 MADE OR UTILIZED. TO PUT IT ANOTHER WAY, THE CLAIMS
11 ARE WHAT DEFINE THE INVENTION, AND THE SPECIFICATION
12 EXPLAINS TO OR TEACHES THOSE SKILLED IN THE ART HOW THE
13 INVENTION MIGHT BE MADE OR USED. BUT THE EXAMPLES IN
14 THE SPECIFICATION ARE NOT EXHAUSTIVE, THERE MAY BE
15 OTHER WAYS IN WHICH IT MAY BE USED THAT ARE COVERED BY
16 THE CLAIMS IN THE PATENT.

17 IT ALSO WOULD BE IMPROPER TO COMPARE THE ACCUSED
18 PRODUCT OR PROCESS TO A SPECIFIC EXAMPLE SET OUT IN THE
19 PATENT BECAUSE AS I SAID, THE EXAMPLES MAY NOT COVER
20 EVERY EMBODIMENT OF THE CLAIMS. SO ONCE AGAIN, THE
21 ONLY CORRECT COMPARISON AND THE COMPARISON THAT YOU
22 MUST MAKE IN THIS CASE IS COMPARISON BETWEEN THE
23 ACCUSED PRODUCT AND THE CLAIMS IN THE ARENDI PATENT.

24 AND IN ORDER TO ESTABLISH INFRINGEMENT, IT'S NOT
25 NECESSARY FOR ARENDI TO PROVE THAT ALL OF THE CLAIMS IN

1 ITS PATENT OR AT LEAST ALL OF THE ACCUSED CLAIMS, HAVE
2 BEEN INFRINGED. EACH CLAIM MUST BE CONSIDERED
3 SEPARATELY AND PROOF BY ARENDI THAT ANY ONE CLAIM HAS
4 BEEN INFRINGED IS SUFFICIENT TO ESTABLISH INFRINGEMENT
5 OF THAT CLAIM. THE TYPE OF INFRINGEMENT THAT IS
6 ALLEGED IN THIS CASE IS WHAT IS CALLED LITERAL
7 INFRINGEMENT. WHICH MAY NOT MEAN AN AWFUL LOT TO YOU
8 AT THIS POINT, AND I DON'T NEED TO GET TOO DEEPLY INTO
9 THE DIFFERENT TYPES OF INFRINGEMENT, BECAUSE AS I SAY,
10 WE'RE TALKING IN THIS CASE ABOUT THIS TYPE OF
11 INFRINGEMENT.

12 THE USE OF SMART TAGS LITERALLY INFRINGES AN
13 ASSERTED CLAIM OF ARENDI'S PATENT IF EVERY ELEMENT OR
14 LIMITATION OF THAT CLAIM IS PRESENT IN THE USE OF THOSE
15 SMART TAGS. IF EVERY ELEMENT OR LIMITATION OF AN
16 ASSERTED CLAIM IS PRESENT IN THE USE OF AN ACCUSED
17 PRODUCT, THE PRODUCT INFRINGES THAT CLAIM EVEN IF THE
18 PRODUCT HAS ADDITIONAL FEATURES THAT AREN'T COVERED BY
19 THE CLAIM.

20 ON THE OTHER HAND, IF ONE OR MORE OF THE
21 ELEMENTS OR LIMITATIONS OF A CLAIM IS ABSENT FROM THE
22 ACCUSED PRODUCT, THEN THE ACCUSED PRODUCT DOES NOT
23 INFRINGE THAT CLAIM.

24 SO IN ORDER FOR INFRINGEMENT TO OCCUR, THE
25 ACCUSED PRODUCT MUST CONTAIN ALL OF THE ELEMENTS OF THE

1 PARTICULAR CLAIM, EVEN THOUGH IT MAY HAVE ADDITIONAL
2 ELEMENTS, THAT'S OKAY, BUT IT HAS TO CONTAIN ALL OF THE
3 ELEMENTS OF THAT CLAIM. IF ANY OF THOSE ELEMENTS ARE
4 MISSING, IT DOESN'T INFRINGE. IF ALL OF THE ELEMENTS
5 ARE PRESENT, IT INFRINGES EVEN THOUGH THE PRODUCT MAY
6 HAVE ADDITIONAL FEATURES THAT AREN'T FOUND IN THE
7 PATENTED -- OR AREN'T CONTAINED IN THE PATENT CLAIM.

8 NOW, IN DECIDING WHETHER AN ACCUSED PRODUCT
9 INFRINGES A CLAIM IN ARENDI'S PATENT, THE FIRST STEP IS
10 TO UNDERSTAND THE MEANING OF THE WORDS USED IN THE
11 PATENT CLAIMS. AND SOME OF THOSE WORDS MAY NOT BE
12 FAMILIAR TO YOU, AND MY JOB IS TO DEFINE THOSE WORDS OR
13 TERMS THAT MAY BE UNFAMILIAR TO YOU OR MAY BE DISPUTED.
14 IT'S YOUR DUTY TO APPLY THE DEFINITIONS THAT I GIVE YOU
15 IN DETERMINING BOTH WHETHER A PARTICULAR CLAIM HAS BEEN
16 INFRINGED AND WHETHER A PARTICULAR CLAIM IS VALID OR
17 INVALID.

18 NOW, ONCE AGAIN, IT MAY BE HELPFUL FOR YOU TO
19 REFER TO THE COPY OF THE PATENT. AND I WOULD DIRECT
20 YOUR ATTENTION -- I AM GOING TO DIRECT YOUR ATTENTION
21 TO CLAIM 1, I GUESS THERE IS NO PAGE NUMBER ON THE
22 PATENT, BUT YOU REMEMBER IT'S NEAR THE END, IT'S THE
23 PARAGRAPH NUMBER, LET'S SEE, IT'S IN COLUMN 10, BEGINS
24 AT LINE 28, DO YOU SEE THE NUMBER 1 THERE? IT STARTS
25 WITH THE WORDS "A COMPUTERIZED METHOD." EVERYBODY

1 THERE?

2 JURORS: YES.

3 THE COURT: I'M GOING TO LIMIT MY COMMENTS TO
4 CLAIM 1 FOR TWO REASONS. I'M ONLY GOING TO TALK ABOUT
5 THE TERMS IN CLAIM 1 FOR TWO REASONS; THE FIRST IS THAT
6 ALL OF THE TERMS THAT, I THINK, REQUIRE DEFINITION
7 WHICH ARE FOUND IN OTHER ASSERTED CLAIMS ARE ALSO FOUND
8 IN CLAIM 1. SO IF I DEFINE THE MEANING IN CLAIM 1, YOU
9 CAN GIVE THEM THE SAME MEANING WITH RESPECT TO THE
10 OTHER ASSERTED CLAIM. AND THE SECOND REASON I'M GOING
11 TO LIMIT MYSELF TO CLAIM 1 IS THAT IF THE USE OF SMART
12 TAGS BY MICROSOFT AND/OR ITS CUSTOMERS DOES NOT
13 INFRINGE CLAIM 1, THEN IT WOULD NOT INFRINGE ANY OF THE
14 OTHER ASSERTED CLAIMS BECAUSE THOSE CLAIMS EITHER
15 DIRECTLY OR INDIRECTLY INCORPORATE THE ELEMENTS OR
16 LIMITATIONS OF CLAIM 1. SO CLAIM 1 IS THE STARTING
17 POINT HERE.

18 NOW, LET'S LOOK AT SOME OF THE TERMS IN CLAIM 1.
19 THIS IS PRETTY MUCH, I THINK, IN ORDER BUT IT MAY BE A
20 LITTLE BIT OUT OF ORDER SO BEAR WITH ME IF IT IS. I
21 HOPE IT'S AT LEAST IN LOGICAL ORDER.

22 IF YOU LOOK AT COLUMN 10, LINE 32, THEY'RE ALL
23 IN COLUMN 10, BUT LINE 32, YOU SEE THE WORD,
24 "COMPRISING." THE WORD COMPRISING MEANS INCLUDING BUT
25 NOT LIMITED TO.

1 IF YOU LOOK A LITTLE FURTHER DOWN IN COLUMN 10
2 AT LINE 36, YOU'LL SEE A TERM "THE EXECUTE COMMAND."
3 AND THE TERM, THE EXECUTE COMMAND, MEANS THE EXECUTE
4 COMMAND THAT'S REFERRED TO IN THE PRECEDING ELEMENT OF
5 THE CLAIM. YOU SEE THE PRECEDING ELEMENT THAT BEGINS
6 ON, I GUESS THAT'S LINE 30 -- LET'S SEE, A COUPLE LINES
7 ABOVE THE PRECEDING ELEMENT, IT TALKS ABOUT AN EXECUTE
8 COMMAND, WHICH INITIATES A RECORD RETRIEVAL FROM AN
9 INFORMATION SOURCE. I GUESS THAT'S LINES 33 AND 34.
10 SO THE TERM, THE EXECUTE COMMAND, IN LINE 36 REFERS TO
11 OR MEANS THE EXECUTE COMMAND THAT'S REFERRED TO IN THE
12 PRECEDING ELEMENT OF CLAIM 1 AS AN EXECUTE COMMAND
13 WHICH INITIATES A RECORD RETRIEVAL FROM AN INFORMATION
14 SOURCE.

15 THEN, YOU'LL SEE THE TERM, "INPUT DEVICE."
16 THAT'S AT LINE 38 OF COLUMN 10. AN INPUT DEVICE MEANS
17 A DEVICE THAT ALLOWS A USER TO PROVIDE INPUT INTO A
18 COMPUTER SYSTEM. NOW, THAT BY ITSELF ISN'T
19 PARTICULARLY HELPFUL, BUT THE FOCUS HERE IS ON THE
20 PHRASE OR THE TERM, "THE INPUT DEVICE" WHICH IS AT LINE
21 38. AND THE TERM, THE INPUT DEVICE, AS USED THERE,
22 MEANS THE INPUT DEVICE REFERRED TO IN THE PRECEDING
23 ELEMENT OF CLAIM 1 AS, AND I'M QUOTING, "AN INPUT
24 DEVICE CONFIGURED TO ENTER AN EXECUTE COMMAND WHICH
25 INITIATES A RECORD RETRIEVAL PROGRAM. AND THE INPUT

1 DEVICE INCLUDES A MENU CHOICE OR SELECTION."

2 IF YOU LOOK AT LINE 36 IN COLUMN 10, YOU'LL SEE
3 THE TERM, "ENTRY OF THE EXECUTE COMMAND." IT SAYS, THE
4 WHOLE LINE READS, "UPON A SINGLE ENTRY OF THE EXECUTE
5 COMMAND BY MEANS OF THE INPUT DEVICE."

6 AND THE TERM, THE EXECUTE COMMAND, OR ENTRY OF
7 THE EXECUTE COMMAND, THAT ENTRY OF THE EXECUTE COMMAND
8 MAY BE ACCOMPLISHED BY CLICKING ON OR SELECTING A MENU
9 CHOICE.

10 IF YOU LOOK AT LINE 36, THE PHRASE OR TERM,
11 "UPON A SINGLE ENTRY OF THE EXECUTE COMMAND," THAT
12 MEANS TWO THINGS; IT MEANS FIRST THAT ANALYSIS OF THE
13 DOCUMENT TO DETERMINE IF IT CONTAINS FIRST INFORMATION,
14 AND SEARCHING SOURCES EXTERNAL TO THE DOCUMENT FOR
15 SECOND INFORMATION ASSOCIATED WITH THE FIRST
16 INFORMATION MUST OCCUR UPON OR AFTER ENTRY OF THE
17 EXECUTE COMMAND. AND IT ALSO MEANS THAT THE ANALYSIS
18 AND SEARCH MUST TAKE PLACE WITHOUT ANY NEED FOR THE
19 USER TO FIRST SELECT ANY TEXT IN THE DOCUMENT BY
20 ACCENTING IT, HIGHLIGHTING IT OR OTHERWISE SELECTING
21 IT.

22 SO THAT TERM, UPON A SINGLE ENTRY OF THE EXECUTE
23 COMMAND, MEANS FIRST THAT THE ANALYSIS AND THE
24 SEARCHING MUST TAKE PLACE AFTER ENTRY OF THE EXECUTE
25 COMMAND AND, SECOND, THAT THE ANALYSIS AND SEARCH MUST

1 TAKE PLACE WITHOUT ANY NEED FOR THE USER TO FIRST
2 SELECT TEXT OR BY ACCENTING IT, HIGHLIGHTING IT OR
3 OTHERWISE SELECTING IT.

4 IF YOU LOOK DOWN AT LINES 38 AND 39, YOU'LL SEE
5 THE TERM, "FIRST INFORMATION," YOU'VE HEARD A LOT OF
6 REFERENCES TO THAT DURING THE COURSE OF THIS TRIAL.
7 FIRST INFORMATION MEANS TEXT IN THE DOCUMENT THAT IS
8 ENTERED BY A USER AND CAN BE USED BY THE RECORD
9 RETRIEVAL PROGRAM TO SEARCH SOURCES EXTERNAL TO THE
10 DOCUMENT FOR SECOND INFORMATION ASSOCIATED WITH THE
11 FIRST INFORMATION.

12 AND DON'T BE TOO CONCERNED IF YOU HAVEN'T GOTTEN
13 EVERY WORD OF WHAT I'VE SAID DOWN, YOU'LL HAVE A
14 TAPE-RECORDING OF MY CHARGE AND YOU CAN PLAY IT BACK AT
15 YOUR LEISURE IF YOU WISH TO, WHEN YOU GET IN THE JURY
16 ROOM, AND COMPARE IT TO THE LANGUAGE CONTAINED IN THE
17 PATENT CLAIM OR PARTICULARLY CLAIM 1.

18 NOW, SOME OF THE QUESTIONS, AT LEAST TWO OF THE
19 QUESTIONS THAT YOU MAY NEED TO ADDRESS WITH RESPECT TO
20 INFRINGEMENT ARE AS FOLLOWS, AND LET ME JUST SAY THAT
21 THESE ARE ONLY TWO QUESTIONS, THERE MAY BE OTHER
22 QUESTIONS THAT YOU NEED TO ADDRESS, BUT I JUST WANT TO
23 MENTION TWO OF THE QUESTIONS THAT YOU MAY HAVE TO
24 CONSIDER IN DETERMINING WHETHER INFRINGEMENT HAS BEEN
25 PROVEN HERE.

1 THE FIRST QUESTION OR ONE QUESTION IS DO SMART
2 TAGS REQUIRE THE USER TO SELECT TEXT IN THE DOCUMENT
3 BEFORE THE DOCUMENT IS ANALYZED TO DETERMINE IF THE
4 DOCUMENT CONTAINS FIRST INFORMATION, AND BEFORE THE
5 RECORD RETRIEVAL PROGRAM IS USED TO SEARCH FOR SECOND
6 INFORMATION. IF SMART TAGS DO REQUIRE TEXT SELECTION,
7 THEN USE OF SMART TAGS WOULD NOT INFRINGE ARENDI'S
8 PATENT BECAUSE ARENDI'S INVENTION DOES NOT REQUIRE TEXT
9 SELECTION BY THE USER.

10 IF, ON THE OTHER HAND, SMART TAGS DO NOT REQUIRE
11 TEXT SELECTION, THEN THEY MIGHT INFRINGE ARENDI'S
12 PATENT, DEPENDING ON WHETHER ALL OF THE OTHER ELEMENTS
13 OF A PARTICULAR CLAIM IN THAT PATENT ARE PRESENT IN THE
14 SMART TAGS PRODUCT.

15 A SECOND QUESTION THAT YOU MAY NEED TO ADDRESS
16 IS WHEN SMART TAGS ARE USED, DOES THE ANALYSIS OF THE
17 DOCUMENT TO DETERMINE IF IT CONTAINS FIRST INFORMATION
18 AND THE SEARCH FOR SECOND INFORMATION OCCUR AFTER ENTRY
19 OF THE EXECUTE COMMAND. IF THE ANALYSIS AND SEARCH DO
20 NOT TAKE PLACE AFTER ENTRY OF THE EXECUTE COMMAND,
21 SMART TAGS WOULD NOT INFRINGE THE ARENDI PATENT.

22 ON THE OTHER HAND, IF SMART TAGS PERFORMS THE
23 ANALYSIS OR SEARCH AFTER THE ENTRY OF THE EXECUTE
24 COMMAND, THE FACT THAT THEY MIGHT ALSO PERFORM THE
25 ANALYSIS AND SEARCH BEFORE ENTRY OF THE EXECUTE COMMAND

1 DOES NOT PRECLUDE INFRINGEMENT. IN OTHER WORDS, THE
2 FOCUS HERE IS ON WHETHER THE ANALYSIS AND SEARCH
3 FUNCTIONS REFERRED TO ARE PERFORMED AFTER THE ENTRY OF
4 AN EXECUTE COMMAND; IF SO, THAT MATCHES UP WITH
5 ARENDI'S PATENT, EVEN IF THE ANALYSIS AND SEARCH ALSO
6 OCCUR BEFORE ENTRY OF THE EXECUTE COMMAND. IF THE
7 ANALYSIS AND SEARCH DO NOT OCCUR AFTER THE ENTRY OF THE
8 EXECUTE COMMAND, THEN THERE WOULDN'T BE ANY
9 INFRINGEMENT OF THAT ELEMENT OF THAT CLAIM OF ARENDI'S
10 PATENT.

11 NOW, THAT COMPLETES MY EXPLANATION OF WHAT
12 ARENDI MUST PROVE IN ORDER TO ESTABLISH INFRINGEMENT OF
13 ITS PATENT BY MICROSOFT. AND I'M NOW GOING TO TURN TO
14 WHAT MICROSOFT MUST PROVE IN ORDER TO ESTABLISH THAT
15 ARENDI'S PATENT OR ANY OF THE CLAIMS IN ARENDI'S PATENT
16 ARE INVALID. AND I'LL BEGIN BY TELLING YOU THAT A
17 PATENT CANNOT BE INFRINGED UNLESS IT IS VALID. YOU
18 CANNOT INFRINGE AN INVALID PATENT. IN ORDER TO BE
19 VALID, A PATENT AS I INDICATED BEFORE, MUST COMPLY WITH
20 ALL OF THE LEGAL REQUIREMENTS FOR ISSUANCE OF A PATENT,
21 ALL OF THE LEGAL REQUIREMENTS THAT YOU MUST SATISFY IN
22 ORDER TO OBTAIN PATENT PROTECTION.

23 ONE OF THE REQUIREMENTS IS THAT THE INVENTION
24 CLAIMED IN THE PATENT MUST NEW OR NOVEL, THOSE TWO
25 WORDS ARE USED PRETTY MUCH INTERCHANGEABLY, THE

1 INVENTION CLAIM MUST NEW OR NOVEL BECAUSE A PATENT
2 CANNOT DEPRIVE OTHERS OF THEIR RIGHT TO USE WHAT
3 EXISTED OR WAS KNOWN WHEN THE INVENTION WAS MADE. AND
4 THAT WHICH WAS KNOWN OR EXISTED OR WAS USED AT THE TIME
5 AN INVENTION WAS MADE IS REFERRED TO AS PRIOR ART. AND
6 YOU'VE HEARD THAT TERM THROWN AROUND A LOT DURING THE
7 COURSE OF THIS TRIAL.

8 MICROSOFT HAS CHALLENGED THE VALIDITY OF
9 ASSERTED CLAIMS IN ARENDI'S PATENT ON THE GROUND THAT
10 MICROSOFT ALLEGES THAT THE CLAIMS CLAIM SOMETHING THAT
11 WAS NOT NEW OR NOVEL AT THE TIME OF ARENDI'S INVENTION
12 WAS MADE. MORE SPECIFICALLY, MICROSOFT CONTENDS THAT
13 ARENDI'S '853 PATENT IS INVALID BECAUSE IT WAS
14 ANTICIPATED BY OR COVERED BY PRIOR ART.

15 NOW, AS I'VE ALREADY INDICATED, THE LAW PRESUMES
16 THAT A PATENT IS VALID AND MICROSOFT AS THE PARTY
17 CHALLENGING THE VALIDITY OF ARENDI'S PATENT, HAS THE
18 BURDEN OF PROVING INVALIDITY BY CLEAR AND CONVINCING
19 EVIDENCE. IN DETERMINING THE VALIDITY OF THE CLAIMS OF
20 ARENDI'S '853 PATENT YOU MUST CONSIDER EACH CLAIM
21 SEPARATELY JUST AS YOU DID WITH RESPECT TO
22 INFRINGEMENT. AN INVENTION IS ANTICIPATED BY THE PRIOR
23 ART -- OR AN INVENTION THAT IS ANTICIPATED BY THE PRIOR
24 ART IS NOT ENTITLED TO PATENT PROTECTION.

25 PRIOR ART MAY CONSIST OF A PUBLICATION, A PRIOR

1 PATENT, A PRIOR PUBLIC USE OR SALE OR SOME OTHER FORM
2 OF PRIOR ART. IN ORDER FOR A PATENT CLAIM TO BE
3 ANTICIPATED BY PRIOR ART, EACH AND EVERY LIMITATION OR
4 ELEMENT OF THAT CLAIM MUST BE PRESENT WITHIN A SINGLE
5 ITEM OF PRIOR ART. THE FACT THAT ONE LIMITATION OF THE
6 PATENT CLAIM MIGHT BE FOUND IN ONE PIECE OF PRIOR ART
7 AND OTHER LIMITATIONS OF THE PATENT CLAIM MAY BE FOUND
8 IN OTHER ITEMS OF PRIOR ART, DOES NOT ESTABLISH
9 ANTICIPATION. ALL OF THE ELEMENTS OR LIMITATIONS OF
10 THE CLAIM MUST BE PRESENT IN ONE ITEM OF PRIOR ART.

11 AND IN DECIDING WHETHER A SINGLE ITEM OF PRIOR
12 ART ANTICIPATES A PATENT CLAIM YOU SHOULD CONSIDER WHAT
13 IS EXPRESSLY STATED IN THE ITEM OF PRIOR ART AND ALSO
14 WHAT IS INHERENTLY PRESENT IN THE ITEM OF PRIOR ART. A
15 LIMITATION OR A CLAIM IS INHERENT OR INHERENTLY PRESENT
16 IN AN ITEM OF PRIOR ART IF IT IS ALWAYS PRESENT IN THE
17 PRIOR ART, OR IF IT ALWAYS RESULTS FROM THE PRACTICE OF
18 THE PRIOR ART, AND IF A PERSON SKILLED IN THE
19 PARTICULAR ART, IN THIS CASE COMPUTER PROGRAMS AND
20 COMPUTERS, WOULD UNDERSTAND THAT TO BE THE CASE.

21 ANOTHER THING TO KEEP IN MIND IS THAT THE PRIOR
22 ART REFERENCE MUST DISCLOSE OR DESCRIBE AN ENTIRE
23 INVENTION, WHETHER IT'S A PRODUCT, A SYSTEM OR METHOD
24 OR A COMBINATION. IF A SINGLE ITEM OF PRIOR ART
25 DESCRIBES OR DISCLOSES A COMBINATION OF PRODUCTS OR

1 TECHNOLOGIES, ALL OF THE ELEMENTS IN THE COMBINATION
2 ARE CONSIDERED TO BE A SINGLE ITEM OF PRIOR ART EVEN
3 THOUGH THE ELEMENTS ALSO MAY HAVE BEEN DISCLOSED
4 SEPARATELY. SO, IF SEVERAL THINGS TAKEN TOGETHER
5 CONSTITUTE A SINGLE ITEM OF PRIOR ART -- SEVERAL THINGS
6 TAKEN TOGETHER COULD CONSTITUTE A SINGLE ITEM OF PRIOR
7 ART IF THEY'RE USED TOGETHER IN COMBINATION, EVEN
8 THOUGH THEY MAY BE ALSO DISCLOSED SEPARATELY.

9 IN ORDER TO BE PRIOR ART, AN ITEM MUST HAVE BEEN
10 EITHER KNOWN TO OR USED BY SOMEONE OTHER THAN THE
11 INVENTOR BEFORE THE PATENTED INVENTION WAS INVENTED, OR
12 IT MUST HAVE BEEN PUBLICLY USED FOR MORE THAN ONE YEAR
13 BEFORE THE APPLICATION FOR THE PATENT WAS FILED. THE
14 PUBLIC DOESN'T NEED TO HAVE ACCESS TO THE INNER
15 WORKINGS OF A PRODUCT IN ORDER FOR IT TO BE CONSIDERED
16 PRIOR ART.

17 SO, FOR EXAMPLE, A SOFTWARE PRODUCT THAT WAS
18 PUBLICLY USED MAY BE PRIOR ART EVEN THOUGH ITS SOURCE
19 CODE, FOR EXAMPLE, WAS NOT KNOWN TO THE PUBLIC. BUT
20 THE SOURCE CODE MAY BE RELEVANT IN DETERMINING HOW A
21 PIECE OF PRIOR SOFTWARE WORKED AND THEREFORE, WHETHER
22 IT ANTICIPATED THE PATENTED INVENTION.

23 THE PARTIES AGREE IN THIS CASE THAT THE
24 FOLLOWING ITEMS ARE PRIOR ART AND THAT THEY EXISTED
25 BEFORE THE INVENTION DISCLOSED IN THE '853 PATENT.

1 COSTAR ADDRESSMATE PLUS, COSTAR ADDRESSMATE PLUS USER'S
2 MANUAL, CLARIS EMAILER WITH APPLE DATA DETECTORS, COREL
3 WORDPERFECT 7 SPELLCHECKER, COREL WORDPERFECT 7
4 QUICKCORRECT, U.S. PATENT NUMBER 4,674,064, THE LANG
5 PATENT, U.S. PATENT NUMBER 5,946,647, THE MILLER
6 PATENT. AND THE QUESTION FOR YOU TO DECIDE IS WHETHER
7 ANY ONE OR MORE OF THOSE ITEMS ANTICIPATED ARENDI'S
8 '853 PATENT.

9 NOW, I TRIED TO TELL YOU, I HOPE I'VE ADEQUATELY
10 EXPLAINED TO YOU WHAT IT IS THAT MICROSOFT -- WHAT IT
11 IS THAT ARENDI HAS TO PROVE IN ORDER TO ESTABLISH THAT
12 MICROSOFT HAS INFRINGED ITS '853 PATENT. AND I'VE TOLD
13 YOU WHAT IT IS THAT MICROSOFT HAS TO PROVE IN ORDER TO
14 ESTABLISH THAT THE CLAIMS OF ARENDI'S PATENT ARE
15 INVALID. AND I'VE ALSO EXPLAINED TO YOU THE BURDEN OF
16 PROOF THAT APPLIES IN EACH CASE.

17 NOW, THE NEXT QUESTION IS, HOW DO YOU GO ABOUT
18 TELLING OR DETERMINING WHETHER THE PARTIES HAVE PROVEN
19 THESE THINGS? WELL, AS I INDICATED AT THE BEGINNING OF
20 THE CASE, YOU HAVE TO MAKE THAT DETERMINATION SOLELY ON
21 THE BASIS OF THE EVIDENCE THAT HAS BEEN PROPERLY
22 PRESENTED BEFORE YOU DURING THIS TRIAL. NOW, THOSE
23 THINGS THAT ARE ACTUALLY IN EVIDENCE. AND YOU CAN'T
24 BASE YOUR DECISION ON THINGS YOU MAY HAVE SEEN OR HEARD
25 THAT IS NOT IN EVIDENCE, THE COMMENTS MADE BY THE

1 LAWYERS, ANSWERS BY WITNESSES THAT I STRUCK AND TOLD
2 YOU TO DISREGARD, THOSE THINGS ARE NOT EVIDENCE
3 PROPERLY BEFORE YOU.

4 NOW, AS TO THE EVIDENCE THAT IS BEFORE YOU, THE
5 TWO PRINCIPAL SOURCES OF THAT EVIDENCE ARE THE
6 TESTIMONY OF THE WITNESSES, WHO TOOK THE STAND AND
7 TESTIFIED OR IN SOME CASES TESTIFIED BEFORE TRIAL AND
8 THEIR DEPOSITIONS WERE READ TO YOU, AND ALSO THE
9 CONTENTS OF THE EXHIBITS THAT WILL GO WITH YOU INTO THE
10 JURY ROOM. AND THERE'S ALSO WHAT'S CALLED
11 CIRCUMSTANTIAL EVIDENCE, WHICH I'LL EXPLAIN TO YOU A
12 LITTLE BIT LATER.

13 I'M GOING TO TAKE THESE CATEGORIES OF EVIDENCE
14 ONE AT A TIME. LET'S START WITH THE WITNESSES, THE
15 TESTIMONY OF THE WITNESSES. AND YOUR PRINCIPAL TASK
16 HERE IS IN ASSESSING THE CREDIBILITY OF THE WITNESSES,
17 IN OTHER WORDS, HOW MUCH WEIGHT DO YOU THINK THAT THAT
18 WITNESS'S TESTIMONY DESERVES IN DETERMINING WHETHER
19 ARENDI HAS PROVEN INFRINGEMENT BY A GREATER WEIGHT OF
20 THE EVIDENCE OR WHETHER MICROSOFT HAS PROVEN INVALIDITY
21 BY CLEAR AND CONVINCING EVIDENCE. YOU HAVE TO DECIDE
22 HOW MUCH WEIGHT TO GIVE TO THE TESTIMONY OF EACH
23 WITNESS. AND IT'S PARTICULARLY IMPORTANT IN A CASE
24 LIKE THIS WHERE YOU HAVE HAD CONFLICTING TESTIMONY, AND
25 YOU ARE GOING TO HAVE TO CHOOSE BETWEEN ONE WITNESS OR

1 ANOTHER IN SOME CASES.

2 WELL, SOME OF THE FACTORS THAT YOU CAN AND
3 SHOULD CONSIDER IN ASSESSING THE CREDIBILITY OF
4 WITNESSES IN DETERMINING HOW MUCH WEIGHT THEIR
5 TESTIMONY DESERVES ARE, FIRST OF ALL, THE OPPORTUNITY
6 OR LACK OF OPPORTUNITY THE WITNESS HAD TO KNOW OR
7 OBSERVE THE FACTS ABOUT WHICH THE WITNESS TESTIFIED, IN
8 OTHER WORDS, WAS THE WITNESS IN A GOOD POSITION TO HAVE
9 ACCURATELY SEEN, HEARD OR OTHERWISE OBSERVED THE THINGS
10 THAT THE WITNESS TOLD YOU OR WAS THE WITNESS'S ABILITY
11 TO OBSERVE THESE THINGS IMPAIRED IN SOME WAY.

12 THE SECOND FACTOR IS THE RELIABILITY OR THE
13 UNRELIABILITY OF THE WITNESS'S MEMORY. DID IT APPEAR
14 TO YOU THAT THE WITNESS HAD A CLEAR AND ACCURATE
15 RECOLLECTION OF WHAT IT IS THAT THE WITNESS CLAIMS TO
16 HAVE SEEN, HEARD OR OBSERVED OR DID IT APPEAR TO YOU
17 THAT THE WITNESS'S MEMORY WAS SOMEWHAT FLAWED.

18 THE THIRD FACTOR IS THE WITNESS'S APPEARANCE ON
19 THE STAND. ONE REASON THAT WE GENERALLY REQUIRE
20 WITNESSES TO COME IN AND TESTIFY IN PERSON IS IT GIVES
21 YOU A CHANCE TO OBSERVE THEM AND SEE THEIR DEMEANOR AS
22 THEY TESTIFY. AND YOU CAN DRAW SOME CONCLUSIONS ABOUT
23 A WITNESS'S CREDIBILITY BY OBSERVING THAT WITNESS WHEN
24 THEY TESTIFY. UNFORTUNATELY, YOU DON'T HAVE AN
25 OPPORTUNITY TO DO THAT WHEN A DEPOSITION IS READ TO

1 YOU, BUT YOU CERTAINLY DO WHEN YOU SEE THE WITNESS
2 LIVE.

3 ANOTHER FACTOR IS WHETHER THE WITNESS HAS
4 ANYTHING TO GAIN OR LOSE FROM THE OUTCOME OF THE CASE.
5 DOES THE WITNESS HAVE A STAKE IN THE OUTCOME HERE.
6 THAT DOESN'T MEAN THAT SIMPLY BECAUSE THE WITNESS MAY
7 STAND TO GAIN OR LOSE FROM YOUR DECISION IN THE CASE
8 THAT YOU SHOULD AUTOMATICALLY DISBELIEVE OR DISCOUNT
9 THE WITNESS'S TESTIMONY, BUT IT'S CERTAINLY A FACTOR
10 THAT YOU ARE ENTITLED TO TAKE INTO ACCOUNT IN ASSESSING
11 THE WEIGHT TO BE GIVEN TO THAT WITNESS. AND THERE MAY
12 BE OTHER FACTOR THAT YOU THINK ARE APPROPRIATE IN
13 ASSESSING CREDIBILITY, BUT CERTAINLY THOSE ARE SOME.

14 DURING THE TRIAL, YOU'LL RECALL THAT THERE WAS
15 SOME DEPOSITION TESTIMONY READ TO YOU AND I TOLD YOU
16 THAT DEPOSITIONS ARE TESTIMONY TAKEN UNDER OATH BEFORE
17 THE TRIAL BEGINS, AND IF FOR ONE REASON OR ANOTHER THE
18 WITNESS CANNOT APPEAR OR IT'S NOT NECESSARY TO BRING
19 THE WITNESS IN, THE TESTIMONY IS READ TO YOU, YOU
20 SHOULD CONSIDER THAT DEPOSITION TESTIMONY IN THE SAME
21 WAY AS YOU WOULD THE TESTIMONY OF A LIVE WITNESS EXCEPT
22 YOU DON'T HAVE THE CHANCE TO HAVE OBSERVED THE WITNESS.

23 A WITNESS, SOMETIMES THE LAWYERS MAY ATTEMPT TO
24 IMPEACH THE WITNESS, THAT IS TO SAY TO UNDERMINE THE
25 CREDIBILITY OF THE WITNESS BY SHOWING OR ATTEMPTING TO

1 SHOW THAT ON SOME PREVIOUS OCCASION THE WITNESS MADE
2 STATEMENTS THAT WERE INCONSISTENT WITH THE TESTIMONY
3 THE WITNESS GAVE DURING TRIAL. NOW, IT'S UP TO YOU TO
4 DECIDE FIRST OF ALL, WHETHER YOU THINK THAT ANY PRIOR
5 STATEMENT MADE BY THE WITNESS WAS INCONSISTENT IN SOME
6 MATERIAL WAY WITH THE TESTIMONY GIVEN DURING TRIAL, AND
7 IF SO, HOW MUCH YOU THINK THE WITNESS'S TESTIMONY
8 SHOULD BE DISCOUNTED, IF AT ALL, FOR THAT REASON.

9 DURING THE TRIAL YOU'VE HEARD TESTIMONY FROM TWO
10 INDIVIDUALS IN PARTICULAR, MR. KLAUSNER AND DR. CROFT
11 WHO WERE REFERRED TO AS EXPERT WITNESSES. AND THEY'RE
12 CALLED EXPERT WITNESSES BECAUSE THEY CLAIM TO HAVE
13 SPECIALIZED KNOWLEDGE IN A TECHNICAL FIELD, WHICH YOU
14 OR I MAY NOT KNOW A GREAT DEAL ABOUT, IN THIS CASE THE
15 FIELDS OF COMPUTER SOFTWARE AND PROGRAMS. AND BECAUSE
16 THEY DO HAVE KNOWLEDGE AND TRAINING IN THIS FIELD, THEY
17 WERE ALLOWED TO EXPRESS OPINIONS IN THE HOPE THAT THOSE
18 OPINIONS MIGHT BE HELPFUL TO YOU IN DECIDING THE FACTS
19 IN THE CASE. USUALLY WE DON'T ALLOW WITNESSES TO
20 EXPRESS OPINIONS, WE CONFINE THE WITNESSES TO RELATING
21 THE FACTS AND THEN WE LEAVE IT TO YOU TO DECIDE WHAT
22 CONCLUSIONS TO DRAW FROM THE FACTS. BUT WHEN WE DEAL
23 WITH A TECHNICAL FIELD LIKE THIS, WE ALLOW THE WITNESS
24 TO, AT LEAST A WITNESS THAT CLAIMS TO HAVE SOME
25 TRAINING IN THE FIELD TO EXPRESS AN OPINION.

1 BUT THAT DOESN'T MEAN THAT YOU'RE REQUIRED TO
2 ACCEPT THESE OPINIONS JUST BECAUSE THE WITNESSES CLAIM
3 TO HAVE EXPERTISE IN THE FIELD. IN DETERMINING WHAT
4 WEIGHT TO GIVE TO THE TESTIMONY OF AN EXPERT WITNESS,
5 YOU SHOULD APPLY THE SAME TESTS THAT YOU WOULD APPLY TO
6 THE TESTIMONY OF ANY OTHER WITNESS, THAT IS TO SAY YOU
7 OUGHT TO CONSIDER THE OPPORTUNITY OR LACK OF
8 OPPORTUNITY THE WITNESS HAD TO OBSERVE THE FACTS THAT
9 WERE THE BASIS FOR HIS OPINION. YOU OUGHT TO ASK
10 YOURSELVES HOW CANDID YOU THINK THIS INDIVIDUAL WAS
11 BEING AND, IN ADDITION, YOU OUGHT TO TAKE INTO ACCOUNT
12 THE WITNESS'S QUALIFICATIONS, ESPECIALLY IN COMPARISON
13 TO THE QUALIFICATIONS OF AN EXPERT WITNESS WHO MAY HAVE
14 TESTIFIED IN A DIFFERENT WAY. IF YOU HAVE TWO EXPERTS
15 WHO TESTIFY IN CONFLICTING WAYS, ONE OF THE THINGS YOU
16 MIGHT WANT TO LOOK AT IS WHICH ONE DO YOU THINK WAS
17 MORE QUALIFIED TO EXPRESS THE OPINION.

18 ANOTHER THING TO LOOK AT IS THE ACCURACY OF THE
19 FACTS UPON WHICH THE WITNESS'S OPINIONS WERE BASED.
20 OBVIOUSLY AN OPINION IS ONLY AS GOOD AS THE FACTS ON
21 WHICH IT'S BASED, AND IF AN EXPERT IS USING ERRONEOUS
22 FACTS, THEN THAT EXPERT'S OPINION IS NOT GOING TO BE AS
23 VALUABLE AS IF THE FACTS WERE ACCURATE. SO THE BOTTOM
24 LINE IS THAT YOU OUGHT TO CONSIDER CAREFULLY THE
25 TESTIMONY OF EXPERT WITNESSES, BUT THEY'RE NOT

1 NECESSARILY CONCLUSIVE.

2 ALSO REMEMBER THAT IN EVALUATING THE TESTIMONIAL
3 EVIDENCE YOU ARE NOT REQUIRED TO BELIEVE SOMETHING TO
4 BE A FACT SIMPLY BECAUSE SOME WITNESS SAID IT WAS AND
5 NOBODY DIRECTLY CONTRADICTED THE WITNESS. IF A WITNESS
6 SAID SOMETHING THAT IS PATENTLY INCREDIBLE OR YOU
7 BELIEVE THE WITNESS WAS JUST MISTAKEN OR WAS
8 FABRICATING, YOU DON'T HAVE TO ACCEPT THAT WITNESS'S
9 STATEMENT JUST BECAUSE NOBODY CONTRADICTED IT.

10 KEEP IN MIND, TOO, THAT IT ISN'T THE NUMBER OF
11 WITNESSES THAT TESTIFY ON ANY SIDE OF AN ISSUE THAT
12 DETERMINES WHETHER THE BURDEN OF PROOF HAS BEEN
13 SATISFIED, BUT, RATHER, IT IS THE QUALITY OR WEIGHT
14 THAT YOU GIVE TO THAT TESTIMONY. SO JUST BECAUSE YOU
15 MAY HAVE ONE WITNESS TO TESTIFY ON ONE SIDE OF AN
16 ISSUE AND TWO OR THREE WITNESSES TESTIFY TO THE
17 CONTRARY, THAT DOESN'T MEAN THAT YOU SHOULD NECESSARILY
18 ACCEPT THE VERSION OF THE TWO OR THREE WITNESSES. SO
19 MUCH FOR THE WITNESSES.

20 THE SECOND TYPE OF EVIDENCE THAT IS BEFORE YOU
21 IS CONTAINED IN THE EXHIBITS THAT YOU'LL HAVE WITH YOU
22 IN THE JURY ROOM. YOU'RE FREE TO EXAMINE THOSE
23 EXHIBITS UNTIL YOUR HEART'S CONTENT. KEEP IN MIND,
24 THOUGH, THAT THE EXHIBITS LIKE THE TESTIMONY OF THE
25 WITNESSES, ARE JUST TOOLS TO BE USED BY YOU IN

1 DETERMINING THE FACTS IN THE CASE. AND SIMPLY BECAUSE
2 SOMETHING HAS BEEN ADMITTED AS AN EXHIBIT IN THE CASE
3 DOESN'T MEAN THAT YOU ARE NECESSARILY REQUIRED TO
4 ACCEPT EVERYTHING IN IT AS FACE VALUE. THE
5 SIGNIFICANCE OF AN EXHIBIT OR THE WEIGHT THAT YOU
6 ATTACH TO IT, LIKE THE WEIGHT THAT YOU ATTACH TO THE
7 TESTIMONY OF A WITNESS, WOULD DEPEND ON YOUR EVALUATION
8 OF THAT EXHIBIT IN LIGHT OF ALL OF THE EVIDENCE THAT'S
9 BEEN PRESENTED DURING THE COURSE OF A TRIAL.

10 YOU HAVE BEEN SHOWN DURING THE TRIAL VARIOUS
11 CHARTS. AND THE PURPOSE OF THOSE CHARTS WAS TO HELP
12 EXPLAIN TO YOU THE FACTS DISCLOSED BY THE EVIDENCE IN
13 THE CASE, THE TESTIMONY OF THE WITNESSES AND THE
14 DOCUMENTS THAT ARE IN EVIDENCE. THE CHARTS THEMSELVES
15 ARE NOT IN EVIDENCE. THEY WERE JUST AN AID TO YOU AND,
16 THEREFORE, IF YOU FIND THAT ANYTHING ON THE CHARTS IS
17 DIFFERENT FROM THE EVIDENCE THAT WAS PRESENTED, YOU
18 SHOULD BASE YOUR DECISION ON THE EVIDENCE AND NOT WHAT
19 THE CHARTS MAY HAVE SAID.

20 BECAUSE YOU'VE HEARD REFERENCES DURING THE TRIAL
21 TO DOCUMENTS OR OTHER THINGS THAT WERE ALLEGEDLY NOT
22 PRODUCED BY A WITNESS OR NOT MADE AVAILABLE TO A
23 WITNESS BEFORE TRIAL, I'M GOING TO EXPLAIN TO YOU VERY
24 BRIEFLY THE PROCESS OF WHAT'S CALLED PRETRIAL
25 DISCOVERY. BEFORE TRIAL, THE LAWYERS FOR EACH PARTY

1 HAVE AN OPPORTUNITY TO REQUEST THE OPPOSING PARTY TO
2 PRODUCE DOCUMENTS OR OTHER THINGS THAT MIGHT BE
3 EVIDENCE IN THE CASE. AND THE PARTY TO WHOM SUCH A
4 REQUEST IS MADE MAY PRODUCE THE THINGS REQUESTED OR MAY
5 OBJECT TO THE REQUEST FOR ANY OF A VARIETY OF REASONS.
6 IF THE THINGS REQUESTED ARE NOT PRODUCED OR IF THERE'S
7 A DISPUTE AS TO WHETHER THE REQUEST IS A PROPER
8 REQUEST, THE PARTY MAKING THE REQUEST MAY ASK THE COURT
9 TO ORDER THE PARTY TO WHOM THE REQUEST IS MADE TO
10 PRODUCE THOSE DOCUMENTS OR THOSE ITEMS.

11 SO DISPUTES ABOUT WHETHER SOMETHING SHOULDN'T
12 HAVE BEEN PRODUCED OR SHOULDN'T HAVE BEEN PRODUCED OR
13 HAS BEEN PRODUCED, THOSE ARE ALL RESOLVED BY THE COURT
14 AND USUALLY BEFORE TRIAL, SOMETIMES DURING THE TRIAL,
15 BUT USUALLY BEFORE TRIAL AND THEY SHOULDN'T BE ANY
16 CONCERN TO YOU, SO YOU SHOULDN'T BE SPENDING ANY TIME
17 WORRYING ABOUT WHETHER SOMEBODY PRODUCED SOMETHING THEY
18 WERE SUPPOSED TO PRODUCE OR NOT. YOU SHOULD FOCUS ON
19 WHAT'S IN EVIDENCE.

20 I'VE MENTIONED TO YOU THAT YOU MAY CONSIDER ONLY
21 THE EVIDENCE THAT'S PROPERLY BEFORE YOU, BUT THAT
22 DOESN'T MEAN THAT IN DETERMINING THE FACTS THAT YOU'RE
23 STRICTLY LIMITED TO THE STATEMENTS OF THE WITNESSES AND
24 OF THE CONTENTS OF THE EXHIBITS. IN REACHING YOUR
25 CONCLUSIONS YOU MAY DRAWN FROM FACT THAT HAVE BEEN

1 PROVEN BY THE TESTIMONY OF THE WITNESS OR THE CONTENTS
2 OF THE EXHIBITS, SUCH REASONABLE INFERENCES AS YOU MAY
3 DEEM APPROPRIATE.

4 INFERENCES ARE DEDUCTIONS OR CONCLUSIONS THAT
5 REASON AND COMMON SENSE LEAD ONE TO DRAW FROM FACTS
6 THAT HAVE BEEN ESTABLISHED BY THE EVIDENCE IN THE CASE.
7 AND THE PROCESS BY PROVING SOMETHING BY MEANS OF
8 INFERENCES BASED ON FACTS IS SOMETIMES REFERRED TO AS
9 THE PROCESS OF PROVING SOMETHING BY CIRCUMSTANTIAL
10 EVIDENCE. TO PUT IT ANOTHER WAY, A FACT MAY BE PROVEN
11 EVEN BY DIRECT EVIDENCE, THAT IS TO SAY, THE TESTIMONY
12 OF A WITNESS WHO CLAIMS TO HAVE DIRECTLY OBSERVED WHAT
13 IT IS THAT THE WITNESS TESTIFIED ABOUT, OR IT CAN BE
14 PROVEN BY CIRCUMSTANTIAL EVIDENCE, THAT IS TO SAY, THE
15 PROOF BY DIRECT EVIDENCE OF TWO OF MORE FACTS FROM
16 WHICH THE EXISTENCE OR NONEXISTENCE OF A THIRD FACT CAN
17 REASONABLY BE INFERRED. LET ME GIVE YOU AN EXAMPLE, IT
18 IS EASIER TO GIVE YOU AN EXAMPLE THAN IT IS TO SAY IT
19 IN WORDS.

20 SUPPOSE ON SOME WINTER NIGHT BEFORE YOU GO TO
21 BED YOU LOOK OUT OF THE WINDOW AND THE GROUND IS BARE.
22 IN THE MORNING YOU WAKE UP AND THERE IS A FOOT OF SNOW
23 ON THE GROUND. IF SOMEONE ASKS YOU WHETHER IT SNOWED
24 LAST NIGHT, YOUR ANSWER, I WOULD THINK, WOULD BE YES.
25 WELL, SUPPOSE YOU HAD TO COME INTO COURT AND PROVE THAT

1 IT SNOWED LAST NIGHT, HOW WOULD YOU GO ABOUT DOING
2 THAT. WELL, ONE WAY YOU MIGHT DO IT IS YOU MIGHT FIND
3 SOMEONE WHO WAS AWAKE WHEN THE SNOWFLAKES WERE FALLING,
4 THEY COULD COME IN AND TESTIFY THAT THEY SAW THE
5 SNOWFLAKES ACTUALLY FALLING FROM THE SKY. THAT WOULD
6 BE AN EXAMPLE OF PROOF BY DIRECT EVIDENCE; THE
7 TESTIMONY OF A WITNESS WHO CLAIMED TO HAVE DIRECTLY
8 OBSERVED THE SNOWFLAKES FALLING.

9 IF YOU COULDN'T FIND ANYBODY WHO WAS AWAKE WHEN
10 THE SNOWFLAKES FELL, YOU COULD TESTIFY FROM YOUR OWN
11 DIRECT OBSERVATION AS TO THE EXISTENCE OF TWO FACTS.
12 FACT NUMBER ONE, BEFORE YOU WENT TO BED THE GROUND WAS
13 BARE; FACT NUMBER TWO, WHEN YOU WOKE UP THERE WAS A
14 FOOT OF SNOW ON THE GROUND. AND FROM THOSE TWO FACTS
15 IT WOULD BE REASONABLE TO INFER THAT IT MUST HAVE
16 SNOWED LAST NIGHT, THAT'S AN EXAMPLE OF PROVING IT BY
17 CIRCUMSTANTIAL EVIDENCE, ESTABLISHING TWO FACTS BY
18 DIRECT EVIDENCE FROM WHICH THE EXISTENCE OF A THIRD
19 FACT MAY BE REASONABLY INFERRED.

20 BUT KEEP IN MIND THAT THERE'S A DIFFERENCE
21 BETWEEN PROVING SOMETHING BY CIRCUMSTANTIAL EVIDENCE
22 AND SPECULATING OR GUESSING. THE LIMITATIONS IN PROOF
23 BY CIRCUMSTANTIAL EVIDENCE ARE, FIRST, THE UNDERLYING
24 FACTS MUST HAVE BEEN ESTABLISHED BY THE EVIDENCE AND,
25 SECOND, THE INFERENCE TO BE DRAWN FROM THOSE FACTS MUST

1 BE A REASONABLE INFERENCE. SO IF SOMEBODY ASKS YOU IF
2 IT'S GOING TO SNOW NEXT TUESDAY NIGHT, IT WOULD NOT BE
3 REASONABLE TO INFER THAT IT WOULD JUST BECAUSE IT MAY
4 HAVE SNOWED LAST NIGHT. THAT'S AN EXAMPLE OF GUESSING
5 OR SPECULATING. SO KEEP THAT DISTINCTION IN MIND.

6 NOW, DURING THE TRIAL THERE HAVE BEEN TIMES WHEN
7 THE ATTORNEYS HAVE OBJECTED TO QUESTIONS OR EVIDENCE
8 THAT WAS OFFERED. I THINK I INDICATED TO YOU EARLIER
9 YOU SHOULDN'T HOLD IT AGAINST THE ATTORNEYS OR, MORE
10 IMPORTANTLY, THEIR CLIENTS, NOR SHOULD YOU GIVE THE
11 EVIDENCE ANY LESS WEIGHT SIMPLY BECAUSE THERE WAS AN
12 OBJECTION. IF I OVERRULED THE OBJECTION, AND THE
13 EVIDENCE WAS ADMITTED, YOU CAN CONSIDER IT FOR WHATEVER
14 VALUE YOU THINK IT HAS AND YOU SHOULDN'T BE INFLUENCED
15 BY WHETHER THERE WAS AN OBJECTION OR NOT.

16 I'VE ALSO TOLD THAT YOU IT'S UP TO YOU AND YOU
17 ALONE TO DECIDE THE FACTS IN THIS CASE, AND IF DURING
18 THE COURSE OF THE TRIAL OR IN GIVING YOU THESE
19 INSTRUCTIONS, I HAVE DONE OR SAID ANYTHING THAT HAS
20 CAUSED YOU TO BELIEVE THAT I WAS INDICATING AN OPINION
21 ON MY PART AS TO WHAT THE FACTS ARE, I CAN TELL YOU
22 RIGHT NOW THAT I WAS NOT INTENDING TO INDICATE ANY SUCH
23 OPINION, AND YOU SHOULDN'T BE CONCERNED ABOUT WHAT YOU
24 MIGHT THINK MY OPINION MAY BE. THE FACTS ARE FOR YOU
25 TO DECIDE, NOT FOR ME.

1 I HOPE THAT IT GOES WITHOUT SAYING THAT NEITHER
2 BIAS, IN FAVOR OF ANY PERSON OR GROUP OR CAUSE, OR
3 PREJUDICE, AGAINST ANY PERSON OR GROUP OR CAUSE OR
4 SYMPATHY SHOULD PLAY ANY ROLE WHATSOEVER IN YOUR
5 DELIBERATIONS. YOUR SOLE TASK IS TO LOOK AT THE
6 EVIDENCE THAT HAS BEEN PRESENTED OBJECTIVELY, TO
7 DETERMINE FROM THAT EVIDENCE WHAT THE FACTS ARE AND TO
8 APPLY TO THOSE FACTS THE LAW AS I HAVE EXPLAINED IT TO
9 YOU. THAT'S ALL THAT EITHER SIDE IN THIS CASE EXPECTS
10 OR IS ENTITLED TO.

11 YOU'LL HAVE WITH YOU -- WELL, I'LL GET TO THAT
12 IN A MOMENT; RIGHT NOW I'M GOING TO ASK THE LAWYERS TO
13 BRIEFLY APPROACH THE SIDE BAR TO GIVE THEM A CHANCE TO
14 TELL ME IF THEY THINK I HAVE FORGOTTEN TO TELL YOU
15 SOMETHING I SHOULD HAVE TOLD YOU OR IF I HAVE MISSTATED
16 ANYTHING THAT I DID TELL YOU. SO IF YOU'LL EXCUSE US
17 FOR A MOMENT. COUNSEL, WOULD YOU APPROACH THE SIDE
18 BAR.

19 (BENCH CONFERENCE HELD ON THE RECORD)

20 THE COURT: DOES THE PLAINTIFF HAVE ANY
21 OBJECTION TO THE CHARGE".

22 MR. HAYES: NO, YOUR HONOR.

23 THE COURT: DOES THE DEFENDANT?

24 MR. SCHERKENBACH: ONE ISSUE. YOU SAID YOU
25 CAN'T INFRINGE UNLESS THE PATENT IS INVALID, I KNOW

1 WHAT YOU MEANT IS THERE IS NO LIABILITY FOR
2 INFRINGEMENT UNLESS, AND I'VE SEEN, UNFORTUNATELY, THE
3 STATEMENT THAT YOU MADE TAKEN OUT OF CONTEXT AND
4 ALLEGED TO BE IN ERROR, SO YOU MIGHT WANT TO JUST
5 CLARIFY IT.

6 THE COURT: IT REALLY DOESN'T MAKE ANY
7 DIFFERENCE FOR THIS PROCEEDING, I DON'T THINK, DOES IT?

8 MR. SCHERKENBACH: WELL, I DON'T KNOW WHETHER IT
9 DOES OR DOESN'T. MY CONCERN IS, AGAIN, IT'S IN THE
10 RECORD AND IT CAN BE ALLEGED TO BE, WITHOUT THE
11 CONTEXT, A MISSTATEMENT OF THE LAW.

12 THE COURT: OKAY.

13 MR. HAYES: THE MILLER PATENT, I THINK YOU SAID
14 WAS OUT YESTERDAY.

15 MR. SCHERKENBACH: I SAID IF WE WERE GOING TO
16 STRIKE SOME SORT OF DEAL ON THAT INSTRUCTION, WE WOULD
17 AGREE TO TAKE IT OUT.

18 (BENCH CONFERENCE OFF THE RECORD)

19 THE COURT: ONE MINOR POINT I SHOULD CORRECT,
20 LADIES AND GENTLEMEN. I THINK I TOLD YOU THAT ONE
21 CANNOT INFRINGE AN INVALID PATENT, THAT ISN'T EXACTLY
22 CORRECT. WHAT I SHOULD HAVE SAID OR MEANT TO SAY WAS
23 ONE CAN'T BE LIABLE FOR INFRINGING AN INVALID PATENT.
24 THERE IS A DIFFERENCE. FOR PURPOSES OF THIS STAGE OF
25 THE CASE, IT DOESN'T REALLY MAKE ANY PRACTICAL

1 DIFFERENCE, BUT I JUST WANTED TO CORRECT THAT. SO, IN
2 OTHER WORDS IF THE PATENT OR THE CLAIMS IN THE PATENT
3 ARE INVALID, MICROSOFT CAN'T BE LIABLE FOR
4 INFRINGEMENT, BUT IT IS THEORETICALLY POSSIBLE THAT ONE
5 CAN INFRINGE AN INVALID PATENT.

6 NOW, YOU WILL HAVE WITH YOU IN THE JURY ROOM, AS
7 I SAID EARLIER, A SET OF QUESTIONS THAT ARE CALLED
8 INTERROGATORIES. AND YOU SHOULD ANSWER ALL OF THE
9 APPLICABLE QUESTIONS. AND WHEN I SAY APPLICABLE,
10 DEPENDING ON WHAT YOUR ANSWER IS TO ONE QUESTION, YOU
11 MAY OR MAY NOT HAVE TO ANSWER THE NEXT QUESTION. I
12 HOPE IT IS SELF-EXPLANATORY, BUT YOU NEED TO ANSWER ALL
13 OF THE APPLICABLE QUESTIONS IN ORDER TO FINISH THIS
14 PHASE OF THE CASE.

15 AND IN ORDER TO ANSWER ANY OF THESE QUESTIONS,
16 ALL OF YOU MUST AGREE ON WHAT THE ANSWER OUGHT TO BE,
17 YOU CAN'T ANSWER A QUESTION IF SOME OF YOU THINK THE
18 QUESTION SHOULD BE ANSWERED YES AND SOME OF YOU THINK
19 IT SHOULD BE ANSWERED NO. YOU MUST BE UNANIMOUS IN
20 DECIDING WHAT THE CORRECT ANSWER IS.

21 AND THERE ARE TWO PRINCIPLES YOU SHOULD KEEP IN
22 MIND AS YOU BEGIN YOUR DELIBERATIONS. ONE IS THAT YOU
23 SHOULD EACH APPROACH THE DELIBERATIONS WITH AN OPEN
24 MIND. AND YOU SHOULD BE PREPARED TO LISTEN TO WHAT
25 YOUR FELLOW JURORS HAVE TO SAY AND YOU SHOULD BE HUMBLE

1 ENOUGH IF YOU INITIALLY DISAGREE WITH THEM TO CHANGE
2 YOUR MIND IF YOU BECOME CONVINCED THAT THEY'RE CORRECT
3 AND YOU ARE INCORRECT.

4 ON THE OTHER HAND, YOU MUST KEEP IN MIND, TOO,
5 THAT YOU EACH HAVE AN INDEPENDENT RESPONSIBILITY TO
6 VOTE FOR THE VERDICT OR THE ANSWER THAT YOU BELIEVE IS
7 THE CORRECT ANSWER BASED ON YOUR UNDERSTANDING OF THE
8 EVIDENCE AND THE LAW AS I'VE EXPLAINED IT. AND YOU
9 MUST HAVE THE COURAGE TO STICK TO YOUR CONVICTIONS, IF,
10 AFTER LISTENING WITH AN OPEN MIND, TO WHAT THE OTHER
11 JURORS HAVE TO SAY, YOU REMAIN CONVINCED THAT YOU'RE
12 CORRECT AND THEY'RE INCORRECT. SO THOSE TWO PRINCIPLES
13 MAY SEEM A LITTLE BIT IN CONFLICT, BUT IN MY EXPERIENCE
14 THE VAST MAJORITY OF JURIES HAS BEEN ABLE TO REACH
15 UNANIMOUS DECISIONS WITHOUT DOING VIOLENCE TO EITHER OF
16 THOSE PRINCIPLES AND I'M REASONABLY CONFIDENT YOU WILL
17 TOO, BUT IF YOU DON'T, WE'LL CROSS THAT BRIDGE WHEN WE
18 GET TO IT.

19 NOW, WHEN YOU GET TO THE JURY ROOM, THE FIRST
20 THING THAT YOU SHOULD DO IS SELECT A FOREMAN OR
21 FORELADY WHO WILL ACT AS YOUR SPOKESPERSON. AND THAT
22 MEANS THAT IF IT'S NECESSARY FOR YOU TO COMMUNICATE IN
23 ANY WAY WITH ME, THE COMMUNICATION SHOULD BE THROUGH
24 THE FOREMAN OR FORELADY. AND IT SHOULD BE IN THE FORM
25 OF A BRIEF NOTE, JUST WRITE A NOTE AS TO WHAT THE

1 QUESTION OR PROBLEM IS, GIVE IT TO THE SECURITY
2 OFFICER, HE WILL BE OUTSIDE YOUR DOOR, AND HE'LL GIVE
3 IT TO ME, I'LL DISCUSS IT WITH THE LAWYERS AND I'LL TRY
4 TO RESPOND AS PROMPTLY AND HELPFULLY AS I CAN, AND I
5 SHOULD SAY AS PROPERLY AS I CAN. AND I EMPHASIZE THE
6 WORD PROPERLY, BECAUSE THERE ARE SOME THINGS I CANNOT
7 DO PROPERLY TO HELP YOU. I'VE TOLD YOU THAT YOU ARE
8 THE JUDGES OF THE FACTS IN THE CASE AND I CAN'T TELL
9 YOU WHAT THE FACTS ARE, THAT'S SOMETHING YOU'RE GOING
10 TO HAVE TO DO ON YOUR OWN.

11 BUT IF THERE IS ANY OTHER WAY THAT I CAN
12 PROPERLY HELP YOU, I'LL CERTAINLY DO MY BEST TO DO SO.
13 IT MAY TAKE A WHILE, NOT THAT I EXPECT YOU TO HAVE ANY
14 QUESTIONS OR PROBLEMS, BUT IF YOU DO IT MAY TAKE A
15 WHILE FOR ME TO GET BACK TO YOU BECAUSE I HAVE OTHER
16 MATTERS THAT I'M TRYING TO ATTEND TO WHILE YOU'RE OUT
17 DELIBERATING.

18 THE FOREMAN OR FORELADY ALSO WILL HAVE THE
19 RESPONSIBILITY OF COMPLETING AND SIGNING THE
20 INTERROGATORY FORM WHEN ALL OF THE JURORS HAVE AGREED
21 ON WHAT THE ANSWERS OUGHT TO BE. AND THAT FORM WILL BE
22 BROUGHT BACK IN WITH YOU WHEN YOU RETURN TO TELL US
23 WHAT YOUR ANSWERS ARE. AND THE CLERK WOULD TAKE IT
24 FROM YOU AT THAT TIME.

25 SO THE FIRST THING YOU SHOULD DO IS SELECT A

1 FOREMAN OR FORELADY AND THE FINAL RESPONSIBILITY THAT
2 PERSON HAS IS TO ACT AS THE MODERATOR OF YOUR
3 DELIBERATIONS, TO MAKE SURE THEY ARE CONDUCTED IN AN
4 ORDERLY WAY AND THAT EVERYONE WHO WANTS A CHANCE TO
5 EXPRESS HIMSELF OR HERSELF HAS A FAIR CHANCE TO DO
6 THAT.

7 AS FAR AS YOUR HOURS ARE CONCERNED, I BELIEVE
8 LUNCH HAS BEEN ORDERED FOR YOU. YOU DON'T HAVE TO
9 DELIBERATE WHILE YOU'RE EATING IF YOU DON'T WANT TO,
10 BUT IF YOU WANT TO, YOU CAN. YOUR HOURS WILL BE
11 BASICALLY WHATEVER YOU WANT THEM TO BE. IF BY THE END
12 OF THE DAY YOU HAVEN'T REACHED A VERDICT AND YOU WANT
13 TO GO HOME AND COME BACK TOMORROW, WE CAN DO THAT OR IF
14 YOU WANT TO STAY LATE, WE CAN ARRANGE THAT, TOO, I'LL
15 LEAVE THAT UP TO YOU.

16 I MAY HAVE THE CLERK CHECK WITH YOU NEAR THE END
17 OF THE DAY JUST FOR PLANNING PURPOSES TO FIND OUT WHAT
18 YOU WOULD LIKE TO DO.

19 KEEP IN MIND THAT IF IT SHOULD BECOME NECESSARY
20 FOR YOU TO COMMUNICATE IN ANY WAY WITH ME, WE DON'T
21 WANT TO KNOW WHAT THE STATUS OF YOUR DELIBERATIONS IS,
22 WE DON'T WANT TO KNOW THAT YOU ARE 6 TO 2 IN FAVOR OF
23 THIS OR AGAINST THAT, ALL WE WANT TO KNOW IS WHAT YOUR
24 QUESTION OR PROBLEM IS, AND WE DON'T WANT TO KNOW
25 ANYTHING ELSE UNTIL YOU HAVE FINALLY REACHED YOUR

1 DECISION.

2 IS THERE ANYTHING ELSE, COUNSEL, BEFORE THE JURY
3 IS SENT OUT?

4 MR. HAYES: NO, YOUR HONOR.

5 MR. SCHERKENBACH: NO, YOUR HONOR.

6 THE COURT: THE SECURITY OFFICER WILL COME
7 FORWARD AND THE CLERK WILL ADMINISTER THE OATH.

8 (COURT SECURITY OFFICER SWORN)

9 THE COURT: ALL RIGHT. LADIES AND GENTLEMEN,
10 THIS CASE IS IN YOUR HANDS, YOU MAY RETURN TO THE JURY
11 ROOM AND BEGIN YOUR DELIBERATIONS.

12 (JURY EXCUSED - 12:17 P.M.)

13 THE COURT: PLEASE BE SEATED, LADIES AND
14 GENTLEMEN.

15 COUNSEL, I WOULD LIKE YOU TO REMAIN AROUND THE
16 COURTROOM FOR THE NEXT 15 MINUTES. MY EXPERIENCE IS
17 THAT USUALLY IF THERE ARE QUESTIONS, THEY SURFACE
18 PRETTY RAPIDLY. AFTER THAT, YOU ARE FREE TO GO AS LONG
19 AS YOU CAN PROVIDE THE CLERK WITH A TELEPHONE NUMBER
20 WHERE YOU CAN BE IMMEDIATELY REACHED, AND YOU CAN
21 ASSURE ME THAT YOU WILL RETURN WITHIN TEN MINUTES OF
22 BEING CALLED BY THE CLERK.

23 MR. HAYES: CAN I HAVE A QUESTION, JUDGE?

24 THE COURT: YES.

25 MR. HAYES: OH. I CAN'T EVEN GET IT OUT WITHOUT

1 BEING TOLD SOMETHING. I ASSUME, THEY HAVE THE
2 EXHIBITS; RIGHT?

3 THE COURT: THEY WILL HAVE. THEY HAVE THEM NOW
4 OR THEY WILL HAVE THEM.

5 HAVE THE EXHIBITS GONE IN WITH THEM YET?

6 THE CLERK: NO.

7 THE COURT: I WOULD LIKE YOU TO CHECK OVER THE
8 EXHIBITS JUST TO DOUBLE-CHECK, MAKE SURE THAT
9 EVERYTHING THE CLERK IS PROPOSING TO SEND IN IS
10 PROPERLY --

11 MR. HAYES: RIGHT, RIGHT. AND THE OTHER THING
12 IS I DON'T THINK THERE IS ANY NEED FOR ANY
13 DEMONSTRATIVES, THERE ARE TOO MANY OF THEM.

14 THE COURT: WELL, THE DEMONSTRATIVES WOULD NOT
15 GO IN ANYWAY.

16 MR. HAYES: RIGHT. SO WE'LL -- WHO IS CRONIN
17 GOING TO CHECK THE EXHIBITS WITH? WITH YOU?

18 THE CLERK: I'M WAITING FOR JUDY TO RETURN ME A
19 LIST.

20 MR. HAYES: OKAY. THANK YOU, VERY MUCH, YOUR
21 HONOR.

22 THE COURT: COURT WILL BE IN RECESS.

23 (JURY DELIBERATION BEGINS 12:19 P.M.)

24 (ADJOURNED)

25